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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**

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# **FAMILY MEMBERS, INCLUDING LAWYER AND ACCOUNTANT, PLEAD GUILTY TO HEALTH CARE FRAUD**

**PHOENIX** -- The U.S. Attorney's Office for the District of Arizona announced that on June 15 and June 17, 2004, four family members, Steve Nelson, Catherine Nelson, 43 years old, Lise Witt, DOB 3/31/64, and Don Witt, DOB 1/23/63, each pled guilty to one count of health care fraud, Title 18 United States Code Section 1347 in federal district court in Phoenix.

The four family members owned and operated Friendship, CMHC, Inc., a community mental health center located in Phoenix. Steve Nelson and his sister, Lise Witt, an attorney, operated the facility, and Catherine Nelson, a certified public accountant, kept the books and records. The four defendants devised a scheme to fraudulently obtain money from the Medicare program by creating false operating expenses for Friendship. They established Medibill Systems, Inc., a straw corporation, for the purpose of falsely creating additional expenses, which Medicare would pay under its established cost reimbursement system. To carry out the scheme, they forged a contract between Medibill and Friendship whereby

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Medibill was to perform billing services for Friendship. They then falsified invoices and checks between Friendship and Medibill. Catherine Nelson caused tax returns to be filed on behalf of the sham corporation to make the fraud even more difficult to detect. The defendants also billed Medicare for accounting services which were never performed, again creating false invoices and payments. Between 1996 and 1999, Medicare reimbursed Friendship for \$234,000 in fraudulent expenses.

A conviction for health care fraud carries a maximum penalty of 20 years, a \$250,000.00 fine or both.

Sentencing is set before Judge Susan R. Bolton on September 13, 2004.

The investigation in this case was conducted by Robert Braun of the Department of Health and Human Services.

The prosecution is being handled by Ashley Adams-Feldman, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: WI-04-59-PHX-SRB  
RELEASE NUMBER: 2004-109

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